

EDUCATION AND WORKFORCE DEVELOPMENT CABINET
Kentucky Commission on Proprietary Education
(Amendment)

791 KAR 1:050. Application for license for commercial driver license training school.

RELATES TO: KRS 165A.330(1), 165A.370, 165A.450, 165A.465, 165A.470, 165A.475, 165A.480(1)

STATUTORY AUTHORITY: KRS 165A.340(6), 165A.400, 165A.465(3), 165A.475, 165A.510

NECESSITY, FUNCTION, AND CONFORMITY: KRS 165A.340(6) and 165A.400 authorize the Kentucky Commission on Proprietary Education to promulgate administrative regulations to administer the provisions of KRS Chapter 165A. KRS 165A.465, 165A.475, and 165A.510 require the commission to promulgate administrative regulations establishing standards and an application procedure for commercial driver license training schools. This administrative regulation establishes the application procedures for commercial driver license training schools.

Section 1. Application for Kentucky Resident Commercial Driver License Training School. (1) Prior to establishment of a commercial driver license training school residing in Kentucky, the school owner shall:

- (a) Complete and submit to the commission Form PE 30, Application for Resident Commercial Driver License Training School, with supporting documentation as listed on the form;
 - (b) Pay the nonrefundable application fee of \$200 established in KRS 165A.475(2);
 - (c) Pay the nonrefundable license fee for a commercial driver license training school residing in and doing business in Kentucky of \$500;
 - (d) Pay the nonrefundable contribution to the Student Protection Fund of \$500; and
 - (e) Meet the requirements of Section 4 of this administrative regulation.
- (2) All fees shall be submitted by certified check or money order payable to the "Kentucky State Treasurer".

Section 2. Application for ~~[Non-Kentucky]~~ Non-resident Commercial Driver License Training School. (1) Prior to establishment of a commercial driver license training school not residing in Kentucky but recruiting, advertising, or otherwise doing business in Kentucky, the school's owner shall:

- (a) Complete and submit to the commission Form PE 31, Application for Non-Resident Commercial Driver License Training School with supporting documentation as listed on the form;
 - (b) Pay the nonrefundable application fee of \$200 established in KRS 165A.475(2);
 - (c) Pay the nonrefundable license fee for a commercial driver license training school not residing in and doing business in Kentucky of \$1,250;
 - (d) Pay the nonrefundable contribution to the Student Protection Fund of \$1,250; and
 - (e) Meet the requirements of Section 4 of this administrative regulation.
- (2) All fees shall be submitted by certified check or money order payable to the "Kentucky State Treasurer".

Section 3. Annual Renewal License Fee for Commercial Driver License Training Schools. (1)(a) Except as provided in paragraph (b) of this subsection, the annual renewal license fee for a school residing in and doing business in Kentucky shall be \$500.

(b) If the school's gross revenue exceeds \$50,000, the annual renewal license fee for a commercial driver license training school residing in and doing business in Kentucky shall be \$500 plus twenty-five (25) dollars for each additional \$10,000 of gross revenue in excess of \$50,000, not to exceed \$3,000.

(2)(a) Except as provided in paragraph (b) of this subsection, the annual renewal license fee for a commercial driver license training school not residing in Kentucky, but doing business in Kentucky, shall be \$1,250.

(b) If the school's gross revenue exceeds \$50,000, the annual license fee for a school not residing in Kentucky, but doing business in Kentucky, shall be \$1,250 plus twenty-five (25) dollars for each additional \$10,000 of gross revenue earned from Kentucky resident students in excess of \$50,000, not to exceed \$3,000.

Section 4. (1) Evidence of Liability Insurance Coverage. Each application to operate a commercial driver license training school shall be accompanied by verification of liability insurance coverage for the commercial driver license training school from a Kentucky-licensed insurance carrier, as mandated by KRS 165A.475(1)(d).

(2) Verification of liability insurance coverage from the school's insurance carrier shall include on the policy complete listing of all equipment, serial numbers, vehicle identification numbers covered by the liability insurance with subsequent liability insurance coverage changes filed with the commission in writing within thirty (30) days of the subsequent change.

Section 5. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) Form PE 30, "Application for Resident Commercial Driver License Training School", as provided in EdVera software version 2.1, edition 2021 [2017 edition]; and

(b) Form PE 31, "Application for Non-resident Commercial Driver License Training School", as provided in EdVera software version 2.1, edition 2021 [2017 edition].

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Commission on Proprietary Education, 500 Mero Street [~~300 Sower Boulevard~~], Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

MISTY N. EDWARDS, Executive Director

For DAVID W. FLOYD, Chair

APPROVED BY AGENCY: August 4, 2021

FILED WITH LRC: August 4, 2021 at 11:10 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on October 25, 2021, at 1:00 p.m. Eastern Time, at the Mayo-Underwood Building Hearing Room, 500 Mero Street, 1st Floor, Frankfort, KY. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on October 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: Misty Edwards, Executive Director, Kentucky Commission on Proprietary Education, 500 Mero Street, 4th Floor, Frankfort, Kentucky 40601-1957, phone 502-564-4185, email kcpe@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Misty Edward

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation (791 KAR 1:050) establishes standards, an application procedure for commercial driver license training schools, and the utilization of an electronic data management system.

(b) The necessity of this administrative regulation: This administrative regulation (791 KAR 1:050) establishes the application procedures for commercial driver license training schools.

(c) How this administrative regulation conforms to the content of the authorizing statutes: The statute requires the commission to promulgate administrative regulations establishing standards and an application procedure for commercial driver license training schools.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation outlines the commercial driver license training school application process. The electronic data management system will modernize the multiple levels of regulatory procedures and license processing.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment will facilitate the process of automating and streamlining regulatory and licensing processes through the use of an electronic data management system. This modernization will greatly improve responsiveness, and promote collaboration with stakeholders.

(b) How the amendment conforms to the content of the authorizing statutes: The statute requires the commission to promulgate regulations regarding the application process for commercial driver license training schools. The electronic data management system allows for a controlled exchange of information among stakeholders while maximizing operational efficiencies.

(c) How the amendment conforms to the content of the authorizing statutes: The statute requires the commission to promulgate regulations for the application process for commercial driver licensing training schools.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation provides guidelines to proprietary schools to assist in a more efficient application process, reduce operating expenses, and improve record management.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Kentucky Commission on Proprietary Education, the 16 commercial driver license training schools, and any proprietary school requiring licensure pursuant to KRS 165A.

(4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: The Kentucky Commission on Proprietary Education, the 16 commercial driver license training schools, and any proprietary school requiring licensure pursuant to KRS 165A.

(a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: All proprietary schools will be required to utilize the electronic data management system.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: There is not a cost increase associated with the proposed amendment.

(c) As a result of compliance, what benefits will accrue to the entities: The electronic data management system will replace a paper based system, facilitate compliance, simply document version control and ultimately lead to a major efficiency.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no costs to the commission associated with the implementation of this amendment.

(b) On a continuing basis: There will be no costs to the commission associated with the implementation of this amendment.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The commission is funded entirely through fees paid by licensed schools.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: The amendment to this administrative regulation will not require an increase in fees.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: The amendment to this administrative regulation will not require an increase in fees.

(9) TIERING: Is tiering applied? Tiering is not applied because there is no change to the fee or application structure.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Commission on Proprietary Education and proprietary schools.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 165A, KRS 165A.340(6), 165A.400, 165A.465(3), 165A.475, 165A.510.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amended administrative regulation will not generate any new revenue for the commission.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amended administrative regulation will not generate any new revenue for the commission.

(c) How much will it cost to administer this program for the first year? There will not be a cost increase associated with the amendments to this administrative regulation.

(d) How much will it cost to administer this program for subsequent years? Future costs will remain unchanged related to this amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): There is no known effect on current revenues.

Expenditures (+/-): There is no known effect on current expenditures.
Other Explanation: There is no fiscal impact associated with this amendment.